


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-057-E - ORDER NO. 98-148

FEBRUARY 26, 1998

IN RE:	Application of Duke Energy Corporation for)	ORDER
	Authorization under Article 13, Chapter 27,)	APPROVING
	of Title 58 of the Code of Laws of South)	APPLICATION
	Carolina, to Issue and Sell Securities		
	(Common Stock).		



On February 10, 1998, Duke Energy Corporation (Company) filed an application (Application) for authorization to issue and sell securities (Common Stock), in the manner described in the Application.

FINDINGS OF FACT

1. The Company holds a certificate of authority to transact business in the State of South Carolina. It is a corporation duly organized and existing under the laws of the State of North Carolina. The Company is duly authorized by its Articles of Incorporation to engage in the business of generating, transmitting, distributing and selling electric power and energy, and in the business of operating water supply systems, and is conducting and carrying on such businesses in each of said States. It is a public utility under the laws of this State and in its operations in this State is subject to the jurisdiction of this Commission. It is also a public utility under the laws of the State of North Carolina and in its operation in that State is subject to the jurisdiction of North Carolina Utilities Commission. It is a public utility under the Federal Power Act, and

certain of its operations are subject to the jurisdiction of the Federal Energy Regulatory Commission.

2. The Company proposes, pursuant to its application in this Docket, to issue and sell a maximum of 15 million shares of its Common Stock, without par value, under the terms of the Duke Energy Corporation 1998 Long-Term Incentive Plan. This Plan will be submitted for approval by the Company's shareholders in connection with its annual meeting of shareholders to be held April 16, 1998. The purpose of the plan is to strengthen the Company's ability to attract, motivate and retain employees and directors of the Company and to provide a means to encourage stock ownership and a proprietary interest in the Company by the employees and directors of the Company upon whose judgment, initiative and efforts the financial success of the business of the Company largely depend. These shares comprise less than five percent of the Company's currently outstanding shares of Common Stock. The Plan allows the Board of Directors or a Committee thereof to make awards over a period not longer than ten years to key employees of the Company (currently estimated to be in the range of 500 to 700 individuals). The Plan participants may exercise their vested options no later than ten years from the Date of Grant. The price at which a Plan participant may exercise the option is the market value of the stock at the time the option was granted.

3. The Company proposes, pursuant to its application in this Docket, to issue and sell a maximum of 10.7 million shares of its Common Stock, without par value, under the terms of its Retirement Savings Plan, its Employee Stock Ownership Plan

(ESOP), its Stock Purchase and Dividend Reinvestment Plan and certain employee benefit plans of PanEnergy Corp. The Company estimates these shares will be issued over a two year period to meet the requirements of these plans. The Stock Purchase and Dividend Reinvestment Plan provides all current shareholders, all Duke electric service customers, all residents of North and South Carolina (who are at least 18 years of age) and Company employees with a simple and convenient method of purchasing shares of Common Stock without payment of any brokerage commission or service charge.

4. The Company requested that the Commission's approval of its application would be in substitution of the Commission authority for issuance of shares under the terms of its Retirement Savings and Employees' Stock Ownership Plans and its Stock Purchase and Dividend Reinvestment Plan granted in Order No. 90-788 on August 16, 1990 in Docket No. 90-544-E. The Company requested that such previous authority be terminated in conjunction with the Commission's Order in this Docket.

5. The Company will pay no fee for services (other than for attorneys, accountants and fees for similar technical services) in connection with the issuance and sale of any of the Shares.

WHEREUPON, the Commission makes the following:

CONCLUSIONS

Upon review and study of the verified Application, its supporting data and other information in the Commission's files, the Commission is of the opinion, and so finds, that the Company is a public utility subject to the jurisdiction of this Commission with respect to its rates, service, and securities issues and that the issue and sale by the

Company from time to time of its Common Stock under the terms of the Company's 1998 Long-Term Incentive Plan, its Stock Purchase and Dividend Reinvestment Plan, its Employee Stock Ownership Plan, its Retirement Savings Plan and certain employee benefit plans of PanEnergy Corp., as set forth in the Company's Application are:

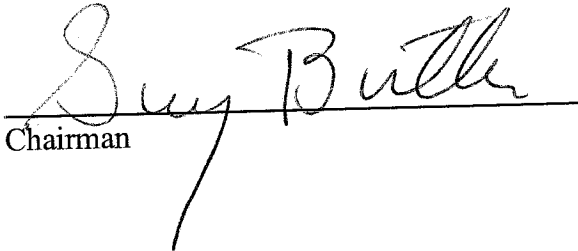
- a) For lawful objects within the corporate purposes of the Company;
- b) Compatible with the public interest;
- c) Necessary and appropriate for, and consistent with, the proper performance by the Company of its service to the public and will not impair its ability to perform that service; and
- d) Reasonably necessary and appropriate for such purpose.

IT IS, THEREFORE, ORDERED: That Duke Energy Corporation be, and it is hereby, authorized, empowered, and permitted, upon the terms and conditions set forth in its Application:

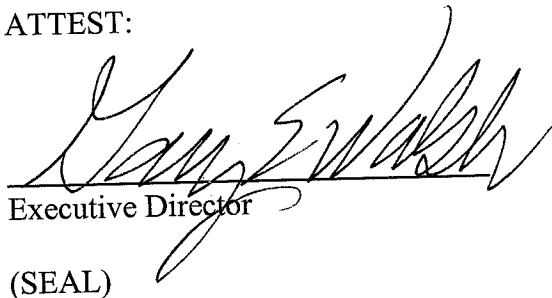
1. To issue and sell Securities (Common Stock) as described in the Application.
2. The authority granted in Docket No. 90-544-E by the Commission for issuance of shares under the terms of the Company's Retirement Savings and Employees' Stock Ownership Plans and its Stock Purchase and Dividend Reinvestment Plan is terminated.
3. To use the net proceeds of such sales for its general corporate purposes including the Company's ongoing construction program.

4. Approval of this Application does not bind the Commission as to the ratemaking treatment of the transactions contemplated hereunder.
5. This Order shall not, in any way, affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications, or changes with respect to any provision of the Order in accordance with the law.
6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director
(SEAL)